Exhibit 1

Puerto Rico

Mediation-Related Cleansing Materials Reveal $6.9B Unrestricted Cash Estimate, Discuss Risks to Commonwealth Fiscal Plan

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Relevant Document:
EMMA Filing

On Thursday evening, Oct. 17, the Puerto Rico Fiscal Agency and Financial Advisory Authority posted certain mediation-related cleansing documents to EMMA. The documents, which were prepared by the PROMESA oversight board, include a presentation on commonwealth fiscal plan risks, dated Sept. 17, and a separate summary of cash restriction analysis, or CRA, dated Oct. 2.

The CRA estimates unrestricted cash of $6.9 billion across all public corporations and plan of adjustment entities. According to the CRA, unrestricted cash "represents potential value available to Commonwealth Title III creditors."

Commonwealth Fiscal Plan Risks

The filing indicates that Puerto Rico is facing several challenges, including:

- "Recent turnover in senior leadership, most notably with the Governorship over the past month
- "Ongoing Federal scrutiny
- "Lingering storm aftermath (e.g., physician and nurse shortages, lack of adequate infrastructure)
- "Past poor capacity to manage federal funds (e.g., potential expiration of education RESTART funding due to delayed procurement) [and]
- "Ongoing legal uncertainties (e.g., litigation with municipalities over CRIM revenues and subsidies)."

As a result of these challenges, areas of uncertainty are created that put the fiscal plan projections at risk. The filing identifies three categories: (i) macroeconomic and revenue projections; (ii) implementation of structural reforms; and (iii) implementation of fiscal measures.

The presentation argues that economic uncertainty could drive down "population and revenue resurgence much faster than expected." That could boost projected annual population decline through fiscal 2024 to 2% to 2.5% versus the current projection of 1% to 1.5%, which could in turn wipe out a projected increase in corporate tax income and accelerate the decline of Act 154 revenue, falling to a long-term trend of $850 million a year in 2025 instead of fiscal 2031, according to the presentation.

The presentation also states that trends in outmigration and lower fertility rates "could result in even more pessimistic downside scenarios."

The presentation also cites as a risk lower than expected total federal disaster spending in Puerto Rico and a slower rollout of the disaster funding. Rather than a combined $69 billion in Federal Emergency Management Agency and U.S. Department of Housing and Urban Development Community Development Block Grant-Disaster Relief funding, the projection is reduced to $39 billion, with a 50% assumed cut of project-based categories and a 20% lower assumed capture rate for disaster funds going towards productive capital stock, the presentation indicates.

Another fiscal plan risk cited in the presentation is that "political changes slow momentum from positive fiscal developments in relief funding and amplifies negative effects from contractionary fiscal measures." This could lower the economic boost from the inflow of relief funds to three years

from five years and increase the negative impact of fiscal measures to 20 years from five years, according to the presentation. That would, in turn, decrease the surplus projected in the fiscal plan from fiscal 2019 through fiscal 2049 by $6.4 billion.

The presentation also observes that economic uncertainty could drive down population and revenue resurgence much faster than expected. Such uncertainty could boost projected annual population decline through fiscal 2024 to 2-2.5% versus the current projected 1% to 1.5%. This could wipe out a projected increase in corporate tax income and accelerate the decline of Act 154 revenue, falling to a long-term trend of $850 million a year in 2025 instead of fiscal 2031.

While fiscal 2019 revenues exceeded the current commonwealth certified fiscal plan projections, 85% of the results were concentrated in four revenue lines, according to the presentation. Corporate income tax may be lower than projected because the recent temporary uptick "may not last as long as fiscal plan projects" and revenue from "Act 154 unstable amid looming loss of its creditability." Act 154 revenues "could quickly evaporate with the looming loss of federal creditability and/or firm investment priorities" that could result with an island pharmaceutical closing a production line with a patent's expiration, the presentation adds.

The presentation also notes that private and public disaster relief funding represent a major source of commonwealth revenue in upcoming years and the disaster aid roll-out is already slower than anticipated in the fiscal plan. It also sees other non-recurring federal funds, including hundreds of millions in annual supplemental Medicaid funding, as being in possible jeopardy because of other concerns over commonwealth capacity to monitor and spend the funds. The presentation cites recent federal regulatory oversight actions over commonwealth education and highway funding.

With respect to structural reforms, the presentation indicates that the government is behind schedule on implementing all of the major structural reforms required to drive economic growth on the Island, including energy reform, doing business reform, private sector welfare reform and education reform. Additionally, the presentation says that the fiscal plan surplus is very sensitive to structural reform implementation due to impact on GNP - putting billions in revenues at risk.

The presentation cites the following reforms that have yet to be executed and a risk to fiscal plan 30-year surplus estimates from a continued lack of execution:

- Energy reform $12.9 billion;
- Doing business reform $16.6 billion;
- Private sector welfare reform $5.3 billion; and
- Education reform $1.1 billion.

The presentation states that without "urgent implementation" of energy reform, Puerto Rico's economy cannot develop." The reform includes finalizing the transactions to allow private operation in the" generation of energy (through privatization) and transmission and distribution of energy (through a concession)," according to the presentation.

Transaction uncertainty stems from the restructuring support agreement being "conditioned on the legislature approving legislation that enables the imposition and collection mechanics of the transition charge, which is the source of repayment of the debt," the presentation says. Both clarity on federal funding and some labor support are required to execute the transaction, the document adds.

Other risks are that there has been "little progress in advancing reforms to promote economic activity and reduce obstacles to starting a business in Puerto Rico" and "limited political will to make radical improvements in private sector labor environment," according to the presentation.

The presentation states that all fiscal measures are at risk, and its presents the following estimated impacts to the 30-year projected fiscal plan surplus:

- Agency efficiencies: $24.7 billion;
- Healthcare measures: $27.8 billion;
- UPR/municipal subsidies: $16.3 billion;

- Pension measures: $7.3 billion;
- Tax compliance: $5.3 billion; and
- Right-rating service taxes: $3.3 billion.

The "enormous fiscal stress" facing island municipalities and higher than expected PayGo pension costs are two other large fiscal plan risks cited in the presentation.

Summary of Cash Restriction Analysis

The oversight board's Oct. 2 summary of the cash restriction analysis estimates $6.9 billion of unrestricted cash based on figures and account balances available at the end of fiscal 2019 on June 30. This is an increase from the reconciled unrestricted cash position of $4.6 billion cited in the initial bank account report prepared by Duff & Phelps and issued by the oversight board in mid-March.

"Given cash requirements under the current draft of the Plan, unrestricted cash for creditors beyond the requirements of the Excess Cash definition is limited at this point," the oversight board summary reads (emphasis added).

The oversight board says that it and its advisors, specifically Ernst & Young, conducted an extensive analysis of cash at the commonwealth and its related entities to determine relevant restrictions, noting that AAFAF's involvement and support facilitated greater cooperation and information flow.

The analysis included both public corporations and the commonwealth and its agencies, the latter on a granular account-level basis, according to the oversight board summary, which said that all accounts at the commonwealth and its agencies that held over $6.9 million in cash or securities were reviewed (approximately 98% of the total balance). The summary said that unlike AAFAF reporting, the oversight board and Ernst & Young included both cash and securities accounts in the review.

While the analysis "is substantially final," the document notes that the oversight board and AAFAF are continuing to diligence other key items, including commitments under federal consent decrees and specific restricted amounts within certain accounts.

The summary cites a goal to provide creditor advisors access to documentary back-up for restricted accounts after the Oct. 2 presentation, saying the objective is "to provide maximum transparency to the creditor community without compromising certain confidential and/or sensitive account-level information."

The summary touches on temporary benefits to the commonwealth's cash position, stating that a "large portion" of the Puerto Rico government's fiscal outperformance has been the result of temporary and one-time items including a corporate income tax uptick, Act 154 and a surge in motor vehicle excise revenue.

The CRA also provides an assessment of restricted cash, explaining that the total cash balance "can be broken down into several component categories to facilitate analysis" and noting that unrestricted cash **"represents potential value available to Commonwealth Title III creditors"** (emphasis added).

The CRA provides the following breakdown of the total cash balances:

		Amount	Description
Public Corporations	Separate Fiscal Plan / Title III Filing	$5,111	▪ ERS, COFINA, COSSEC, CRIM, GDB, HTA, PBA, PRASA, PREPA, and UPR ▪ Cash presumed to be addressed through individual fiscal plans
	Receiving General Funds	991	▪ Public corporation unrestricted cash based on (i) working capital requirement (2 months of Special Revenue Fund and Federal Fund FY2020 budget) and (ii) FY2020 appropriations
	Not Receiving General Funds	1,381	▪ Treated as restricted as the FOMB lacks recourse to access cash by reducing FY2020 appropriations
Plan of Adjustment Entities	Commonwealth Treasury	8,410	▪ TSA assumed to be unrestricted other than emergency funds and estimated federal funds surplus ▪ Hacienda classifications based upon individual account review
	Agencies	1,975	▪ Conducted individual account review to classify into the following categories: – Restricted categories include emergency, federal funds, court order, federal law, third parties, third party contract, and bond funds – Budget appropriations and cash earmarked (but not pledged) for creditors treated as unrestricted
	Not Reviewed	190	▪ Plan of Adjustment entities not yet reviewed ▪ Remaining $190 million held in 349 accounts ▪ Accounts will be reviewed on rolling basis to finalize restriction analysis

In addition, provides the following breakdown of the total cash by restricted and unrestricted cash and includes greater detail in the attached appendix:

($ in millions)

	Unrestricted	Restricted	Total	Note
Public Corporations:				
Separate Fiscal Plan / Title III Entity[(1)]	$27	$5,084	$5,111	A
Receiving General Funds	119	871	991	B
Not Receiving General Funds	–	1,381	1,381	C
Subtotal	**$146**	**$7,336**	**$7,482**	
Plan of Adjustment Entities:				
Commonwealth Treasury (TSA + Hacienda)	$6,523	$1,887	$8,410	D
Agencies[(2)]	235	1,739	1,975	D
Not Reviewed	–	–	190	E
Subtotal	**$6,759**	**$3,626**	**$10,575**	
Total	**$6,905**	**$10,962**	**$18,057**	

(1) Includes ERS, COFINA, COSSEC, CRIM, GDB, HTA, PBA, PRASA, PREPA, and UPR.
(2) Includes $10mm of "inconclusive" accounts treated as unrestricted for the purposes of this table and which are subject to ongoing review.

The CRA provides the following comparison of the projected cash uses as of May 31 and June 30:

($ in millions)

	As of May 31, 2019 As of PSA Signing (AAFAF Data)	As of June 30, 2019 Revised Analysis (EY Data)
Total Cash	$14,010	$14,730
Total Investments	–	3,327
(-) Non-Commonwealth Restricted / Non-Title III Entities	(2,904)	(7,336)
(-) Commonwealth and its Agencies Restricted	(4,157)	(3,626)
(-) Not Reviewed	–	(190)
(-) Timing Adjustments	(882)	–
Potential Eligible PSA Cash	**6,067**	**6,905**
PSA Requirements (Excess Cash Definition)		
(-) Working Capital Requirement	(2,000)	(2,000)
(-) Base Cash Consideration to GO / PBA Creditors	(2,000)	(2,000)
(-) Union and Retiree Settlements	(1,600)	(1,600)
(-) Cash / Bond Consideration Toggle	(400)	(400)
(-) Maximum Excess Cash	(900)	(900)
Potential PSA Unrestricted Cash	**(833)**	**5**
(-) Federal Consent Decrees	–	TBD
(-) Convenience Class	–	(200)
(-) Cash Required to Purchase ERS Assets[1]	(632)	(632)
Potential Remaining Cash / (Deficit)	**($1,465)**	**($827)**
Memo: Bridge to June 30, 2019		
Additional TSA Cash Through June 28, 2019	$339	
Convenience Class	(200)	
Additional Cash Determined to be Unrestricted	499	
Adjusted Remaining Cash	**($827)**	

(1) Calculated as 95% of $479mm of Employee Loans, 50% of $75mm of private equity investments, and $139mm of COFINA holdings.